

SPORTS

U.C.L.A. and Under Armour in Record Sponsorship Deal

By MARC TRACY MAY 24, 2016

U.C.L.A. and Under Armour on Tuesday announced the largest college sponsorship deal ever, a contract that will pay the university's athletic department \$280 million in cash and apparel over 15 years.

The deal extends a trend of rapidly escalating contracts as three sportswear companies — Under Armour, Nike and Adidas — seek greater footholds in the lucrative college sports industry. Since 2014 alone, the unofficial sponsorship record has changed hands five times as prominent programs have signed new agreements.

In July, a year after Notre Dame's reported \$90 million sponsorship deal with Under Armour set a new bar in college sports, Michigan announced that it would switch to Nike, from Adidas, for as much as \$15.8 million per year over 11 years. Since then, Texas and Ohio State, who had deals with Nike, have signed extensions worth about \$250 million each. Both deals averaged more than Michigan's contract on an annual basis.

Each deal represented significant growth over a prior contract. Ohio State, for example, nearly doubled its annual take, to \$16.7 million a year, while Texas approximately quadrupled its contract's worth, to \$16.8 million annually.

U.C.L.A.'s deal is even richer. It averages \$18.7 million per year and will go into effect in July 2017. U.C.L.A.'s previous deal, with Adidas, paid it \$7.5 million per year. (Deals typically combine cash and a certain value of apparel.)

“Every weekend it’s on television — every Saturday in football season,” said Sam Poser, an industry analyst at Sterne Agee. “It’s expensive, but those deals really enhance the brand that’s doing the deal.”

The Bruins, whose sports teams have won a record 113 national championships, are perhaps best known for the unparalleled dominance of their men’s basketball teams in the 1960s and 1970s under Coach John Wooden. In one stretch, they won 10 N.C.A.A. titles in 12 seasons.

By many measures, college sports have never been more popular, with football dominating autumn Saturdays and the N.C.A.A.’s Division I men’s basketball tournament still one of the tent poles of the sports calendar. The College Football Playoff, which began two years ago, netted record ratings in its first season and is worth \$7.3 billion in broadcast rights over 12 years. The N.C.A.A. last month extended the broadcast deal for the basketball tournament through 2032 at a price that will eventually reach more than \$1 billion per year.

The U.C.L.A. deal also represents the continued expansion of Under Armour into the college space. In just 20 years, the insurgent company — which endorses a smaller stable of carefully selected athletes, like the N.B.A. star Stephen Curry, quarterback Tom Brady, the golfer Jordan Spieth and the baseball star Bryce Harper — has become a considerable thorn in the side of Nike and Adidas in the college marketplace. In 2014, Under Armour supplanted Adidas as the second-largest seller of sportswear in the United States.

While Under Armour, based in Baltimore, is best known for its association with the University of Maryland — an extremely close

partnership blessed by the company's chief executive and founder, Kevin Plank, a Maryland native and former Terrapins football player — the company recently poached Notre Dame and Wisconsin, two former Adidas universities, in deals each worth at least \$9 million a year. The company also paid premiums to extend contracts with South Carolina and Auburn, which play in the highly visible Southeastern Conference.

Under Armour even recently extended its agreement with Cincinnati, which does not compete in a so-called Power 5 conference, to nearly \$5 million a year.

U.C.L.A. is the third university, after Utah and the recently added California, Berkeley, that Under Armour will endorse in the Pacific-12. The conference remains dominated by Nike, which is based in Portland, Ore., and whose founder, Phil Knight, has donated hundreds of millions of dollars to the University of Oregon, helping turn his alma mater into an avant-garde football powerhouse nicknamed the University of Nike.

The eye-popping values of these apparel deals further indicate not only the popularity but also the profitability of the most popular college sports teams. Tuesday's deal prompted renewed skepticism over N.C.A.A. policies that restrict athletes' compensation to expansive scholarships.

In a Twitter post, since deleted but published by TMZ Sports, Josh Rosen, the Bruins' star sophomore quarterback, said of the deal: "We're still amateurs though ... Gotta love nonprofits."

Correction: May 24, 2016

An earlier version of this article misstated Under Armour's endorsement history with the Pacific-12 Conference. U.C.L.A. is the third college that Under Armour will endorse in the conference, not the second.

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